

VZCZCXYZ0010
PP RUEHWEB

DE RUEHVI #2428/01 2611224
ZNR UUUUU ZZH
P 181224Z SEP 07
FM AMEMBASSY VIENNA
TO RUEHC/SECSTATE WASHDC PRIORITY 8590
RUEKJCS/OSD WASHDC PRIORITY
RHEHAAA/WHITEHOUSE WASHDC PRIORITY

UNCLAS VIENNA 002428

SIPDIS

SIPDIS

DEPT FOR EUR/AGS, INR/EU, AND EUR/PPD FOR YVETTE SAINT-ANDRE

OSD FOR COMMANDER CHAFFEE

WHITEHOUSE FOR NSC/WEUROPE

E.O. 12958: N/A
TAGS: [OPRC](#) [KPAO](#) [AU](#)

SUBJECT: AUSTRIAN MEDIA HIGHLIGHTS: September 18, 2007

Gusenbauer Launches Open Dialogue on Religion

11. Chancellor Alfred Gusenbauer is to meet with religious leaders, including leaders from Austria's Islamic Community, today. Talks are aimed at defusing a debate over Islam's presence in the country in the wake of arrests of four suspected Islamist militants in Austria and Canada last week. Gusenbauer has said dialogue is the only way to address misunderstandings between faiths, and emphasized that it is vital to separate the issues of integration and fighting terrorism.

While Austrian Chancellor Alfred Gusenbauer is set to meet with religious leaders today, the Islamic Community in Austria has called for better education for Muslim clerics, or imams, saying this would help them understand Islam in a "European context." The Community pointed out that Austria does not have an institute for training Muslim clerics, and suggested that such training could be carried out at the university level, says semi-official daily Wiener Zeitung. Meanwhile, independent provincial daily Salzburger Nachrichten suggests that Austria is a "safe haven for radical Muslims." Political analyst and Islam expert Thomas Schmidinger told the daily that Austria had become a refuge for Muslim fundamentalists for whom circumstances in Germany had become too constrained. Like the Muslim Community, Schmidinger argues that the training of teachers of Islam in Austria is in the hands of "extremely conservative Sunni Muslims." Not even the Muslim Community, the expert continues, "has complete insight into what is being taught and what is being preached in the mosques."

OeVP Calls for Flat Tax

12. Prominent representatives from the People's Party have caused a stir with an "unexpected" proposal: OeVP floor leader and former Chancellor Wolfgang Schuessel has suggested introducing a 25-percent flat tax for businesses. Simultaneously, the party's social issues spokesperson Werner Amon says the scheme should be extended to all employees. Thus, a proposal first put forward by Carinthian Governor Joerg Haider some years ago and dismissed by the OeVP as a "snatch tax" at the time, has now received "positive resonance" from Conservative heavyweights, Austrian media say. Mass-circulation tabloid Oesterreich also reports on what it describes as a "new OeVP offensive for a flat tax," and a "proposal for a complete overhaul of the tax system." OeVP social issues spokesperson Werner Amon argues this would be a "huge simplification" of Austria's tax system. In exchange for abolishing tax brackets, which burdened higher income earners in particular, the country needed a complete reform of the social system in order to maintain a social symmetry, Amon continued. He believes a first

step could be the unification of wage and income taxes as part of the planned 2010 tax reform. The OeVP's coalition partner SPOe, as well as the Greens have dismissed the proposal as "unsocial," however.

Clinton Wants Healthcare for All

13. Democratic presidential hopeful Senator Hillary Clinton said she will introduce a plan to provide affordable and accessible healthcare for all Americans if she is elected president. Speaking in Iowa yesterday, Clinton said that her proposal - a cornerstone of her domestic policy program - would aim at providing healthcare for the 47 million Americans who are currently uninsured. The Senator's plan includes providing government subsidized compulsory insurance with tax credits for working families to help them cover the costs. Reporting on Senator Hillary Clinton's statement that she will introduce a plan to provide affordable and accessible healthcare for all Americans if she is elected president, commentator Joerg Winter says on ORF radio early morning news Morgenjournal: "They are competitors in the race for nomination as the frontrunner, but there's one issue all Democratic presidential hopefuls agree on: Every American is to have healthcare insurance in the future, including the 47 million who are currently uninsured. If Hillary Clinton has her way, healthcare insurance will be obligatory. Tax credits are to facilitate purchasing insurance. The project's costs are estimated at about 110 billion dollars annually. Also, unlike now, health insurance providers will no longer be permitted to reject potential clients because of a previous illness or condition. When she was the First Lady in the mid-1990s, Hillary Clinton failed with a similar proposal because of Republican opposition, who continue to reject the idea of a general compulsory insurance."

Iran Dismisses French Warning

14. A warning by France's Foreign Minister Bernard Kouchner that the world might have to prepare for war over Iran's nuclear program has drawn an angry response from Tehran. Iran's Foreign Ministry said the remark had "damaged the credibility" of France, and that Paris was "obviously in disregard of the EU's policy." In addition, Iranian news agency IRNA accused Paris of having "become the executors of the will of the White House." Meanwhile, the top UN nuclear official said force should be a last resort. At a conference of the International Atomic Energy Agency (IAEA) in Vienna, Mohamed ElBaradei said he saw no clear and present danger, and that talk of force was counter-productive. Responding to French Foreign Minister Bernard Kouchner's recent warning that developments surrounding the Iranian nuclear program could lead to war, Austrian Foreign Minister Ursula Plassnik criticized her French colleagues "aggressive tone." According to liberal daily Der Standard, Plassnik emphasized that she "prefers persistent work on a solution through negotiations. I don't understand why [Kouchner] has resorted to such martial rhetoric at this point. The Standard also analyzes Austria's potential position in the event of tightened sanctions or even a military operation against Iran, and speculates whether such a development could re-open the debate of Austrian neutrality. "Not at this point," experts argue, because from a "strictly formal point of view, the question does not pose itself for as long as there is no actual war or armed conflict taking place."

Rice Promoting Mideast Conference

15. US Secretary of State Condoleezza Rice is traveling to Israel and the West Bank today. In her meetings with Israeli and Palestinian political leaders, she will address the re-launching of the Middle East peace process, and pave the way for the international Mideast conference, scheduled to take place in Washington DC later this year. Reporting on US Secretary Rice's trip to the Middle East today, ORF Jerusalem correspondent Ben Segenreich says: "This is the fourth time this year Rice is visiting the region, although the Secretary of State only had little to show for after her last Mideast trips. Now, however, there is a certain degree of pressure of time and success. A Middle East conference is to take place in fall, the Americans announced months ago, and fall is almost here. Anyhow, the

key players are showing their good will, with Palestinian President Mahmoud Abbas saying that 'we should work very hard for the international gathering in Washington in November to be a successful meeting.' It is worth noting, however, that Abbas used the bland expression 'gathering' rather than the more lofty 'conference;' this reflects the currently common trend to keep expectations as low as possible. There is neither set date nor schedule yet. Moreover, it is unclear whether heads of state and government or just a number of ministers will attend, and no one knows which countries can be expected to participate. Some have argued a meeting would only make sense if new partners such as Saudi Arabia are included in the circle of peace-promoters, but the Saudis are hesitant. The Palestinians, too, are acting skeptical, and have indicated that it might be better to postpone the conference. After all, it would only be a farce, unless a result could be guaranteed in advance, but the negotiations between Abbas and Olmert were deadlocked. The Palestinians want a detailed skeleton agreement with regard to the borders of their future state, the partition of Jerusalem, the dismantling of settlements, and they also want an agreed timetable for the implementation of these issues. This is going a little too far for the Israelis, who would prefer concluding the conference with a vague joint communiqué. There could only be a genuine agreement, the Israelis argue, when Abbas has proved that he can sort things out, when the attacks on the Israel have stopped, the militias have been disarmed and reforms of the Palestinian authorities have been carried out. Olmert and Abbas are in agreement about one issue, though: Radical Islamic Hamas must not be brought into the process. On the one hand, the rift among Palestinians kicked off the current process of talks, but at the same time it remains a huge problem. Hamas, which has been completely isolated in the Gaza Strip, has recently announced it might be willing to call a cease-fire, but Israel's military intelligence believes that Hamas may be preparing for a major attack in order to disrupt the conference."

Microsoft Loses Anti-Trust Appeal

16. Microsoft has lost its appeal against a record 497-million-Euro fine imposed by the European Commission in a long-running competition dispute. The European Court of First Instance upheld the ruling that Microsoft had abused its dominant market position. A probe concluded in 2004 that Microsoft was guilty of freezing out rivals in server software and products such as media players. Meanwhile, Microsoft has two months to appeal to the European Court of Justice, according to ORF TV's prime time news *Zeit im Bild I* on Monday.
McCaw